

GREENE COUNTY BANCORP INC
Form 10-Q
May 15, 2015

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OF 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT
GREENE COUNTY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Commission file number 0-25165

United States 14-1809721
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

302 Main Street, Catskill, New York 12414
(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: (518) 943-2600

Check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: No:

As of May 13, 2015, the registrant had 4,222,357 shares of common stock outstanding at \$ 0.10 par value per share.

GREENE COUNTY BANCORP, INC.

INDEX

PART I.	FINANCIAL INFORMATION	Page
Item 1.	Financial Statements (unaudited)	
	<u>* Consolidated Statements of Financial Condition</u>	3
	<u>* Consolidated Statements of Income</u>	4
	<u>* Consolidated Statements of Comprehensive Income</u>	6
	<u>* Consolidated Statements of Changes in Shareholders' Equity</u>	7
	<u>* Consolidated Statements of Cash Flows</u>	8
	<u>* Notes to Consolidated Financial Statements</u>	9-29
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	30-43
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	44
Item 4.	<u>Controls and Procedures</u>	44
PART II.		
OTHER INFORMATION		
Item 1.	<u>Legal Proceedings</u>	45
Item 1A.	<u>Risk Factors</u>	45
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
Item 3.	<u>Defaults Upon Senior Securities</u>	45
Item 4.	<u>Mine Safety Disclosures</u>	45
Item 5.	<u>Other Information</u>	45
Item 6.	<u>Exhibits</u>	45
	<u>Signatures</u>	46
	Exhibit 31.1 302 Certification of Chief Executive Officer	
	Exhibit 31.2 302 Certification of Chief Financial Officer	

Exhibit 32.1 906 Statement of Chief
Executive Officer
Exhibit 32.2 906 Statement of Chief
Financial Officer
Exhibit 101 Extensible Business
Reporting Language (XBRL)

Index

Greene County Bancorp, Inc.
 Consolidated Statements of Financial Condition
 As of March 31, 2015 and June 30, 2014
 (Unaudited)
 (In thousands, except share and per share amounts)

	March 31, 2015	June 30, 2014
ASSETS		
Total cash and cash equivalents	\$24,823	\$13,809
Long term certificate of deposit	1,230	250
Securities available for sale, at fair value	72,207	56,151
Securities held to maturity, at amortized cost (fair value \$180,266 at March 31, 2015; \$181,932 at June 30, 2014)	177,973	181,946
Federal Home Loan Bank stock, at cost	1,354	1,561
Loans	442,223	405,841
Allowance for loan losses	(7,824)	(7,419)
Unearned origination fees and costs, net	911	887
Net loans receivable	435,310	399,309
Premises and equipment	14,423	14,307
Accrued interest receivable	3,204	2,710
Foreclosed real estate	1,003	473
Prepaid expenses and other assets	2,504	3,645
Total assets	\$734,031	\$674,161
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$68,891	\$67,446
Interest bearing deposits	575,950	522,128
Total deposits	644,841	589,574
Borrowings from Federal Home Loan Bank, short-term	-	3,150
Borrowings from Federal Home Loan Bank, long-term	17,300	14,500
Accrued expenses and other liabilities	6,037	5,737
Total liabilities	668,178	612,961
SHAREHOLDERS' EQUITY		
Preferred stock, Authorized - 1,000,000 shares; Issued - None	-	-
Common stock, par value \$.10 per share; Authorized - 12,000,000 shares; Issued - 4,305,670 shares Outstanding 4,222,357 shares at March 31, 2015, and 4,213,757 shares at June 30, 2014	431	431
Additional paid-in capital	11,267	11,208
Retained earnings	55,222	51,305
Accumulated other comprehensive loss	(438)	(1,050)
Treasury stock, at cost 83,313 shares at March 31, 2015, and 91,913 shares at June 30, 2014	(629)	(694)
Total shareholders' equity	65,853	61,200
Total liabilities and shareholders' equity	\$734,031	\$674,161

See notes to consolidated financial statements

Index

Greene County Bancorp, Inc.
Consolidated Statements of Income
For the Nine Months Ended March 31, 2015 and 2014
(Unaudited)
(In thousands, except share and per share amounts)

	2015	2014
Interest income:		
Loans	\$14,779	\$13,790
Investment securities - taxable	412	494
Mortgage-backed securities	2,177	1,905
Investment securities - tax exempt	1,734	1,525
Interest bearing deposits and federal funds sold	13	17
Total interest income	19,115	17,731
Interest expense:		
Interest on deposits	1,504	1,647
Interest on borrowings	200	113
Total interest expense	1,704	1,760
Net interest income	17,411	15,971
Provision for loan losses	1,132	1,109
Net interest income after provision for loan losses	16,279	14,862
Noninterest income:		
Service charges on deposit accounts	2,069	1,916
Debit card fees	1,248	1,148
Investment services	284	302
E-commerce fees	76	72
Other operating income	483	476
Total noninterest income	4,160	3,914
Noninterest expense:		
Salaries and employee benefits	7,196	6,766
Occupancy expense	1,126	990
Equipment and furniture expense	403	343
Service and data processing fees	1,272	1,051
Computer software, supplies and support	429	307
Advertising and promotion	220	202
FDIC insurance premiums	293	280
Legal and professional fees	800	645
Other	1,488	1,254
Total noninterest expense	13,227	11,838
Income before provision for income taxes	7,212	6,938
Provision for income taxes	1,842	1,963
Net income	\$5,370	\$4,975
Basic earnings per share	\$1.27	\$1.18
Basic average shares outstanding	4,217,447	4,203,350

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Diluted earnings per share	\$1.26	\$1.17
Diluted average shares outstanding	4,248,057	4,239,657
Dividends per share	\$0.540	\$0.525

See notes to consolidated financial statements

4

Index

Greene County Bancorp, Inc.
 Consolidated Statements of Income
 For the Three Months Ended March 31, 2015 and 2014
 (Unaudited)
 (In thousands, except share and per share amounts)

	2015	2014
Interest income:		
Loans	\$4,996	\$4,666
Investment securities - taxable	135	161
Mortgage-backed securities	731	611
Investment securities - tax exempt	602	507
Interest bearing deposits and federal funds sold	3	9
Total interest income	6,467	5,954
Interest expense:		
Interest on deposits	503	548
Interest on borrowings	76	52
Total interest expense	579	600
Net interest income	5,888	5,354
Provision for loan losses	416	288
Net interest income after provision for loan losses	5,472	5,066
Noninterest income:		
Service charges on deposit accounts	623	585
Debit card fees	404	373
Investment services	95	110
E-commerce fees	23	21
Other operating income	106	159
Total noninterest income	1,251	1,248
Noninterest expense:		
Salaries and employee benefits	2,439	2,509
Occupancy expense	458	371
Equipment and furniture expense	150	81
Service and data processing fees	430	397
Computer software, supplies and support	90	100
Advertising and promotion	88	66
FDIC insurance premiums	101	88
Legal and professional fees	208	190
Other	490	473
Total noninterest expense	4,454	4,275
Income before provision for income taxes	2,269	2,039
Provision for income taxes	485	543
Net income	\$1,784	\$1,496
Basic earnings per share	\$0.42	\$0.36
Basic average shares outstanding	4,220,940	4,211,531

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Diluted earnings per share	\$0.42	\$0.35
Diluted average shares outstanding	4,250,523	4,243,398
Dividends per share	\$0.180	\$0.175

See notes to consolidated financial statements

5

Index

Greene County Bancorp, Inc.
 Consolidated Statements of Comprehensive Income
 For the Nine Months Ended March 31, 2015 and 2014
 (Unaudited)
 (In thousands)

	2015	2014
Net Income	\$5,370	\$4,975
Other comprehensive income (loss):		
Unrealized holding gains (losses) on available for sale securities, net of income taxes of \$266 and (\$408), respectively	422	(647)
Accretion of unrealized loss on securities transferred to held to maturity, net of income taxes of \$120 and \$102, respectively ⁽¹⁾	190	162
Total other comprehensive income (loss), net of taxes	612	(485)
Comprehensive income	\$5,982	\$4,490

The accretion of the unrealized holding losses in accumulated other comprehensive income (loss) at the date of ⁽¹⁾transfer partially offsets the amortization of the difference between the par value and fair value of the investment securities at the date of transfer, and is an adjustment of interest income.

Greene County Bancorp, Inc.
 Consolidated Statements of Comprehensive Income
 For the Three Months Ended March 31, 2015 and 2014
 (Unaudited)
 (In thousands)

	2015	2014
Net Income	\$1,784	\$1,496
Other comprehensive income (loss):		
Unrealized holding gains (losses) on available for sale securities, net of income taxes of \$177 and \$26, respectively	280	41
Accretion of unrealized loss on securities transferred to held to maturity, net of income taxes of \$19 and \$75, respectively ⁽¹⁾	31	119
Total other comprehensive income (loss), net of taxes	311	160
Comprehensive income	\$2,095	\$1,656

The accretion of the unrealized holding losses in accumulated other comprehensive income (loss) at the date of ⁽¹⁾transfer partially offsets the amortization of the difference between the par value and fair value of the investment securities at the date of transfer, and is an adjustment of interest income.

See notes to consolidated financial statements.

Index

Greene County Bancorp, Inc.
 Consolidated Statements of Changes in Shareholders' Equity
 For the Nine Months Ended March 31, 2015 and 2014
 (Unaudited)
 (In thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at June 30, 2013	\$ 431	\$ 11,168	\$46,112	\$ (750) \$ (853) \$ 56,108
Options exercised		13				